

2007 Mid Session Summary

The House bills that successfully crossed over to the Senate reinforce the underlying principles that have guided House Democrats throughout the 2007 Legislative Session:

- Addressing Hawaii's high cost of living, including the lack of shelter and affordable housing, for those who have been unable to participate in Hawaii's recent economic prosperity by providing a hand-up, not a hand-out;
- Promoting and protecting Hawaii's precious and unique natural environment, including its agricultural lands;
- Improving Hawaii's disaster preparedness programs;
- Keeping our communities safe and secure; and
- Providing better health care for our communities, including the elderly and our keiki.

House Democrats will continue to work tirelessly to promote these bills and encourage the Senate to move them along the legislative process.

Addressing Hawaii's High Cost of Living

One of the unfortunate consequences of a booming economy is the rapidly rising cost of living for many of Hawaii's residents. Driving the higher prices are significant increases in the cost of housing, transportation, and food and beverages. With inflation rates significantly higher than the rest of the country, House Democrats pushed forth several measures to assist Hawaii's working and middle class families in making ends meet:

- **H.B. No. 707 Food Tax Credit.** Helps reduce the tax burden on Hawaii's taxpayers by establishing a refundable food tax credit for those with an adjusted gross income of \$70,000 or less per year.
- **H.B. No. 501 Low-income Refundable Tax Credit.** Provides tax relief to low-income individuals by increasing the Low-income Refundable Tax Credit.
- **H.B. No. 1799 Earned Income Tax Credit.** Provides tax relief through a state Earned Income Tax Credit based on a percentage of the federal Earned Income Tax Credit.
- **H.B. No. 760 Living Wages; Public Contracts.** Increases the standard of living for working individuals and families and improves the economy while protecting the wages of service employees working for contractors of the State or counties by:

- Requiring that wages for service contract workers be based on United States poverty guidelines for Hawaii;
 - Including the Department of Labor and Industrial Relations as an enforcement agency;
 - Requiring that any bid specification offered or contract entered into by a governmental body contain certain provisions allowing the organizing of employees; and
 - Imposing fines on contractors who are found to be in violation of the law.
- **H.B. No. 1022 Real Estate Speculation.** Increases the number of available homes for Hawaii's residents by discouraging speculation in Hawaii's real estate market by establishing an anti-speculation capital gains tax.
 - **H.B. No. 238 Withholding; Nonresident Seller.** Increases the withholding tax amount, from five percent to eight and one-quarter percent, on the disposition of real property by a non-resident seller.
 - **H.B. No. 252 Conveyance Tax Increase.** Increases the conveyance tax rates for sales of condominiums or single-family residences for which the purchaser is ineligible for a county homeowner's property tax exemption.
 - **H.B. No. 1001 Affordable Rental Housing Expedited Approval Process; Pilot Project.** Encourages the development of affordable rental housing by establishing a pilot project for counties with populations of at least 500,000 that includes:
 - Waivers of certain county requirements, upon meeting certain conditions, except for minimum health and safety requirements and certain environmental and cultural preservation requirements;
 - Provisions requiring the county to allow county-approved projects to connect to county-owned infrastructure and to accept offsite infrastructure constructed and dedicated by the developer of the project;
 - Provisions for non-ceded public lands to be transferred to the Hawaii Housing Finance and Development Corporation (HHFDC) without the approval of the Board of Land and Natural Resources (BLNR) and made available to developers of eligible projects at a lease rent of \$1 per year; and
 - Appropriations to HHFDC and eligible counties to implement the pilot project.
 - **H.B. No. 150 Conveyance Tax Allocation to Rental Housing Trust Fund.** Provides more funding for shelter and services to homeless and low-income individuals and families by:
 - Increasing the allocation of the conveyance tax to the Rental Housing Trust Fund (RHTF); and

- Appropriating funds in each year of fiscal biennium 2007-2009 for, among other things, the purposes of the RHTF; to repair and renovate state public housing; for outreach and supportive services to homeless individuals and families; and to provide support services at emergency and transitional shelters to the homeless.
- **H.B. No. 667 Affordable Housing Preservation; Kukui Gardens.** Takes strides to preserve affordable housing in Honolulu by providing several alternatives to ensure that the Kukui Gardens Rental Housing Complex will continue to offer apartments at affordable rental rates in perpetuity, including:
 - Increasing the bond ceiling as a possible financing solution to acquire Kukui Gardens;
 - Appropriating funds to finance condemnation proceedings; and
 - Appropriating funds for the purchase of a property interest in all or a portion of Kukui Gardens.

Promoting and Protecting Our Land and Natural Environment

The recent economic turnaround has also highlighted the need to establish an appropriate balance between development and growth to fuel our economy and provide jobs for our residents, and the need to protect and preserve our unique natural environment. House Democrats have worked hard to improve efforts to explore alternative energies, reduce current fossil fuel emissions, and control invasive species:

- **H.B. No. 1003 Renewable Energy and Energy Efficiency; Resources and Support.** Provides needed support and resources to further the development of alternative energy resources and energy efficiency technologies in the foreseeable future by:
 - Statutorily establishing the existing Natural Energy Institute of the University of Hawaii at Manoa;
 - Creating the Energy Systems Development Special Fund for developing an integrated approach and portfolio management of renewable energy and energy efficiency technology projects to reduce dependence on fossil and imported fuels and move toward energy self-sufficiency;
 - Establishing the Hawaii Renewable Biofuels Program in the Department of Business, Economic Development, and Tourism (DBEDT) to manage the state's transition to energy self-sufficiency based in part on biofuels for power generation and transportation fuels;
 - Creating the Biofuels Development Revolving Loan Fund, administered by the Hawaii Strategic Development Corporation with technical advice from the Hawaii Natural Energy Institute and its advisory council, to provide seed

financing for research, development, testing, and implementation of the Hawaii Renewable Biofuels Program; and

- Requiring DBEDT to develop and prepare a Bioenergy Master Plan that includes specific objectives, milestones, and timelines, technology to develop bioenergy feedstocks and biofuels, and distribution infrastructure for both marine and land resources.
- **H.B. No. 226 Greenhouse Gas Reduction.** Helps to reduce emissions of greenhouse gases through a program administered by the Department of Health (DOH) and designed to encourage investments in the development of innovative and pioneering technologies to reduce state emissions that includes:
 - Requiring DOH to determine the 1990 statewide greenhouse gas emission level and use that level as the target emission limit to be achieved by 2020;
 - Authorizing the Director of Health (Director) to adopt rules to reduce emission levels through market-based compliance mechanisms and measures that will achieve the maximum technologically feasible and cost-effective reductions in emissions; and
 - Establishing benchmark compliance dates and reporting requirements for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of emissions.
- **H.B. No. 772 Invasive Species Inspection and Quarantine.** Helps to prevent the introduction and spread of invasive species by:
 - Requiring the Department of Agriculture to prescribe a schedule of service fees and charges to be collected from persons who import items that may harbor invasive species, such as containers or packing material;
 - Establishing the Pest Inspection, Quarantine, and Eradication Fund (Eradication Fund) into which the service fees, charges, and penalties collected, in addition to legislative appropriations and federal funds, are to be deposited; and
 - Requiring funds in the Eradication Fund to be used for the operation of inspection and monitoring programs and related facilities, and for emergency remedial measures when invasive species are detected.
- **H.B. No. 1924 Coqui Frog Control and Eradication.** Supports efforts to protect Hawaii's fragile natural ecosystem by appropriating funds to control and eradicate coqui frogs statewide, and to support and implement the coqui frog working group incident action plan.

Policymakers have also dealt with important decisions regarding the appropriate use of land, in particular, agricultural land. The House passed several measures intended to clarify permissible uses on agricultural land and important agricultural land (IAL), as well as to provide incentives for IALs:

- **H.B. No. 1639 Important Agricultural Lands; Tax Incentives.** Encourages owners of qualifying agricultural lands to have their lands designated as IALs by providing tax benefits for owners who lease their IALs. Specifically this bill:
 - Excludes rental income derived from qualifying agricultural leases on lands identified and designated as IALs from gross income, adjusted gross income, and taxable income, under the income tax law; and
 - Exempts rental income derived from qualifying agricultural leases on lands identified and designated as IALs from the general excise tax.
- **H.B. No. 902 Important Agricultural Lands; Tax Credit.** Establishes the IAL Agricultural Business Tax Credit for certain agricultural businesses that own, lease, or use a majority of their lands, excluding conservation lands, as IALs. The tax credit amounts to 100 percent of qualified agricultural costs incurred by the agricultural businesses.
- **H.B. No. 1901 Agricultural Lands.** Makes comprehensive amendments to the state land use laws to protect agricultural lands by, among other things:
 - Establishing permissible uses on IALs, such as crops, game, livestock, historic sites, roadside sale stands, processing facilities, agricultural parks, agricultural tourism, agricultural worker housing and farm dwellings;
 - Expanding the permissible uses in the rural district to allow uses currently permitted in the agricultural district, such as small-scale agriculture, public and educational institutions, public recreation areas, public utilities, small mixed-use retail and commercial facilities, and low-density residential uses; and
 - Providing that landowners who designate agricultural lands as IALs may have agricultural land reclassified as rural land, as an incentive for landowners to reclassify their lands as IALs.
- **H.B. No. 257 Agricultural Lands.** Makes comprehensive amendments to the state land use laws to protect agricultural lands by, among other things:
 - Requiring agricultural subdivisions to be used only for agribusiness or agricultural activity and not for single-family dwellings without accompanying agribusiness, agricultural activity, or subsistence farming operations;
 - Increasing minimum agricultural lot sizes from one to five acres; and
 - Prohibiting the use of agricultural land for any golf-related facilities, private membership facilities, or other resort facilities, including hotels and resort-related commercial uses, time shares, and commercial vacation homes.

Improving Hawaii's Disaster Preparedness

The devastating hurricanes, tsunamis, floods, and other catastrophes that have struck various places throughout the world illustrate the importance of being prepared. Knowing that it's a matter of "when", and not "if", a disaster will strike Hawaii, House Democrats passed several measures designed to improve Hawaii's disaster preparedness efforts:

- **H.B. No. 1006 Disaster Preparedness.** Enhances Hawaii's readiness for disasters, including the improvement of disaster prevention efforts and the reliability of communication networks and power supplies, by:
 - Establishing an executive director position and commission tasked with developing and implementing a comprehensive disaster preparedness plan for Hawaii, including the identification of hazards and hazard impact zones; disaster mitigation policies, requirements, and incentives; and best responses; and
 - Appropriating funds for community emergency response training and support on the islands of Oahu, Hawaii, Kauai, and Maui.
- **H.B. No. 1905 Dam Safety.** Improves the safety of dams and reservoirs in the state by, among other things:
 - Requiring owners of dams and reservoirs to maintain, inspect, and monitor their dams and reservoirs, and obtain valid certificates of approval to impound water;
 - Requiring owners of high and significant hazard potential dams to establish emergency action plans and maintain redundant early warning systems in certain situations;
 - Giving the Department of Land and Natural Resources authority to enter public or private property to investigate the condition and operation of dams, and to take remedial action in emergency situations; and
 - Imposing the penalty of a class C felony for any violations of the Hawaii Dam Safety Act.
- **H.B. No. 652 Dam Safety Financing.** Provides financial support for dam safety efforts by:
 - Authorizing BLNR to collect fees and recover expenses from dam owners to establish a Dam Safety Special Fund to monitor and enforce the safety of dams and reservoirs throughout the state; and
 - Establishing the Dam Rehabilitation Loan Program, to provide funds for dam owners to make repairs and alterations to dams and reservoirs to increase their safety and effectiveness and prevent future dam failures.

- **H.B. No. 625 State Public Safety and Emergency Response Training Facility.** Ensures that public safety officials are fully prepared to respond to natural and man-made disasters, including acts of terrorism, by appropriating funds to conduct a feasibility study for a Hawaii State Public Safety and Emergency Response Training Facility for use by fire fighters, law enforcement officers, and other emergency first responders.
- **H.B. No. 1092 Disaster Preparedness; Back-up Generators.** Ensures reliable operation of Hawaii's critical transportation hubs, especially in times of emergency, by appropriating funds to the Department of Transportation to purchase back-up generators to ensure continuous electrical power at state airports and commercial harbors.
- **H.B. No. 1338 Kiholo Bay Earthquakes; Power Outages; Consumer Advocate Investigation.** Supports consumer interests in reliable electric services by appropriating \$100,000 in emergency funds for the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs to investigate the major power outages that occurred on October 15, 2006, on the islands of Oahu, Maui, and Hawaii as a result of the Kiholo Bay earthquakes.

Keeping Our Communities Safe

To help keep our communities safe, the House passed:

- **H.B. No. 23 Department of Education; Criminal History Record Checks.** Ensures the safety and welfare of public school students and users of the public library system by:
 - Authorizing the Department of Education (DOE) to perform criminal history record checks on any employee, provider, or subcontractor that enters or intends to enter into a contract with or is currently contracted by DOE to provide services in close proximity to children; and
 - Appropriating funds to allow DOE to conduct criminal history record checks on providers and subcontractors.
- **H.B. No. 1149 Manufacture of Illegal Drugs in the Presence of Children.** Increases protections for our children from those who illegally manufacture illegal drugs by enacting penalties for the possession of any precursor chemical needed for the manufacture of an illegal drug knowing that a child is present and with the intent to manufacture the drug.

The House recognizes that protecting our communities is not limited to deterring and prosecuting criminal offenses. Many lives are endangered and some are lost as a result of traffic accidents that occur every day on our streets and highways. To enhance traffic safety, House Democrats passed:

- **H.B. No. 375 Pedestrian Safety; Crosswalks.** Addresses the ongoing issue of pedestrian deaths and injuries on Oahu's roadways by:

- Clarifying a driver's duty to stop or yield the right of way to a pedestrian in a crosswalk when traffic-control signals are not in place or not in operation; and
- Providing increasing fines for multiple offenses.
- **H.B. No. 357 Crosswalk Safety Enhancements and Programs.** Further protects pedestrians from vehicular traffic by establishing a two-year pilot program in the City and County of Honolulu to test crosswalk safety enhancements and programs, which may be implemented in other counties if successful.
- **H.B. No. 356 Unattended Children in Vehicles.** Protects children by establishing a traffic violation for leaving a child unsupervised in a motor vehicle and providing for the removal of the child from the unsafe environment.

Better Health Care Coverage

Thousands of families in Hawaii, including many of our precious keiki, live every day without the safety and security provided by medical insurance. Thousands more live and work in rural areas that are medically underserved. To provide better health care coverage for our communities, the House passed:

- **H.B. No. 1008 Children's Health Care.** Provides health care coverage for all of Hawaii's children by:
 - Creating a three-year pilot program in which the Department of Human Services pays half of the premiums for health care services provided by a managed care plan to uninsured children who are 31 days to 18 years old and who are ineligible for other state or federal health care coverage;
 - Expanding the State's QUEST-Net eligibility requirements to provide free medical care to children of families whose income is at or below 300% of the federal poverty level for Hawaii; and
 - Establishing the Hawaii Infant Care Special Fund to provide health care to infants from birth to 31 days of age through matching-fund, public-private partnerships established by the Department of Health.
- **H.B. No. 528 Health Care for Minors.** Provides minors not under the care, supervision, or control of a parent or guardian with access to health care by allowing them to consent to primary medical care and services.
- **H.B. No. 56 Universal Health Care.** Addresses the skyrocketing cost of health care services by establishing the Hawaii Health Commission (Commission) to develop a health plan to provide healthcare coverage for all individuals in the state by:
 - Determining eligibility for inclusion in a health plan for all individuals;

- Identifying reimbursable services to be paid by the Commission;
 - Determining approved providers of services in a health plan for all individuals;
 - Evaluating the quality and cost-effectiveness of a health plan for all individuals;
and
 - Establishing a budget for a health plan for all individuals in the state.
- **H.B. No. 843 Kahuku Hospital.** Ensures critical care services for rural communities from Kualoa to Waimea Bay on the North Shore of Oahu by requiring the Hawaii Health Systems Corporation to acquire Kahuku Hospital on negotiated terms.
 - **H.B. No. 1477 Rural Primary Healthcare Training.** Improves healthcare access for the people of Hawaii, especially in Hawaii's rural areas, by appropriating funds to the University of Hawaii John A. Burns School of Medicine (JABSOM) to:
 - Support and expand the Family Medicine Residency Program of JABSOM's Department of Family Medicine and Community Health to provide rural primary healthcare services; and
 - Develop a statewide rural primary healthcare training program to provide family physicians to rural areas and improve healthcare access for the people of Hawaii.